



January 18, 2006

## HOUSE BILL No. 1142

DIGEST OF HB 1142 (Updated January 11, 2006 5:44 pm - DI 96)

**Citations Affected:** IC 5-28; IC 22-4.

**Synopsis:** Skills 2016 training fund. Permits an employer that employs fewer than 20 full-time employees to opt out of the skills 2016 training program, including payment of the program's assessments. Provides that an employer that opts out of the program is not eligible to receive a program grant.

**Effective:** Upon passage.

**Leonard, Heim**

January 5, 2006, read first time and referred to Committee on Employment and Labor.  
January 17, 2006, reported — Do Pass.

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HB 1142—LS 6955/DI 102+



January 18, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## HOUSE BILL No. 1142

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-28-27-3, AS ADDED BY P.L.202-2005,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 3. (a) The skills 2016 training fund is  
4 established to do the following:

5 (1) Administer the costs of the skills 2016 training program  
6 established under IC 22-4-10.5.

7 (2) Undertake any program or activity that furthers the purposes  
8 of IC 22-4-10.5.

9 (3) Refund skills 2016 training assessments erroneously collected  
10 and deposited in the fund.

11 (b) The money in the fund shall be allocated as follows:

12 (1) An amount to be determined annually shall be set aside for the  
13 payment of refunds from the fund.

14 (2) The remainder of the money in the fund shall be allocated to  
15 employers or consortiums for incumbent worker training grants  
16 that enable workers to obtain recognizable credentials or  
17 certifications and transferable employment skills that improve

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employer competitiveness.

(c) Special consideration shall be given to the state educational institution established under IC 20-12-61 to be the provider of the training funded under this chapter whenever the state educational institution:

- (1) meets the identified training needs of an employer or a consortium with an existing credentialing or certification program; and
- (2) is the most cost effective provider.

(d) For the incumbent worker training grants described in subsection (b), the department of workforce development shall do the following:

- (1) Provide grant applications to interested employers and consortiums.
- (2) Accept completed applications for the grants.
- (3) Obtain all information necessary or appropriate to determine whether an applicant qualifies for a grant, including information concerning:
  - (A) the applicant;
  - (B) the training to be offered;
  - (C) the training provider; and
  - (D) the workers to be trained.

(4) Prepare summaries or other reports to assist the secretary of commerce in reviewing the grant applications.

(e) The department of workforce development shall forward the grant applications and other information collected or received by the department under subsection (d) to the secretary of commerce who shall allocate the money in the fund in accordance with subsections (b) and (c), after considering the information provided by the department of workforce development.

(f) The corporation shall enter into an agreement with the department of workforce development for the department of workforce development to administer the fund using money appropriated from the fund.

(g) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(h) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(i) The fund consists of the following:

- (1) Assessments deposited in the fund.
- (2) Earnings acquired through the use of money belonging to the

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fund.

(3) Money deposited in the fund from any other source.

(4) Interest and penalties collected.

(j) Any balance in the fund does not lapse but is available continuously to the corporation for expenditures for the program established under IC 22-4-10.5 consistent with this chapter, after considering any information concerning an expenditure provided by the department of workforce development.

**(k) An employer who makes the election described in IC 22-4-10.5-3.2 is not eligible to receive an allocation from the fund.**

SECTION 2. IC 22-4-10.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The skills 2016 training assessment is nine hundredths percent (0.09%) to be assessed upon the previous year's taxable wages (as defined in IC 22-4-4-2) paid by all employers except those who have:

**(1) made the election described in section 3.2 of this chapter; or**

**(2) elected to make payments in lieu of contributions (as defined in IC 22-4-2-32).**

SECTION 3. IC 22-4-10.5-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.2. (a) An employer subject to this chapter that employs less than twenty (20) full-time employees may file an election not to:**

**(1) participate in the skills 2016 training program; and**

**(2) pay the skills 2016 training assessments;**

**with the department on a form prescribed by the commissioner.**

**(b) For calendar year 2006, an employer must make the election described in subsection (a) before July 1, 2006.**

**(c) For calendar year 2007, an employer must make the election described in subsection (a) before January 1, 2007.**

**(d) The department shall treat an employer who makes the election described in subsection (a) for calendar year 2006 as if the employer had made the same election for calendar year 2007 without the employer being required to take any further action.**

SECTION 4. IC 22-4-10.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a) This section does not apply to an employer who has made the election described in section 3.2 of this chapter.**

~~(a)~~ **(b) Skills 2016 training assessments accrue and are payable by each employer under section 3 of this chapter for each calendar year in**

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1 which the employer is subject to IC 22-4-10-1 with respect to wages for  
2 employment.  
3 ~~(b)~~ (c) Skills 2016 training assessments are due and payable to the  
4 department by each employer for the purposes set forth in section 2 of  
5 this chapter and are not deductible, in whole or in part, from the wages  
6 of individuals in the service of the employer.  
7 ~~(c)~~ (d) Skills 2016 training assessments paid under this chapter:  
8 (1) shall not be credited to the employer's experience account; and  
9 (2) do not affect the computation of an employer's contribution  
10 rate under IC 22-4-11-2.  
11 **SECTION 5. An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred House Bill 1142, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

TORR, Chair

Committee Vote: yeas 7, nays 5.

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